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OVERVIEW OF THE EMPLOYEES' PROVIDENT FUND SCHEME, 2026

The Code on Social Security, 2020 (**CSS**) had come into force on November 21, 2025, and had subsumed nine laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (**EPF Act**). While the provisions within the Code relating to the EPF had come into effect, reliance had to be placed on the erstwhile Employees' Provident Funds Scheme, 1952 (**1952 Scheme**), for compliance as the Central Government did not release the final rules under the CSS and relevant schemes.

The Ministry of Labour and Employment (**Ministry**) had, in its press release dated 21 November 2025,[1] had clarified that *"…[T]he relevant provisions of the existing labour Acts and their respective rules, regulations, notifications, standards, schemes, etc. will continue to remain in force.*"

Almost six months post the implementation of the CSS and the relevant provisions pertaining to EPF, the Ministry has notified the Employees' Provident Funds Scheme, 2026 (**EPF Scheme**) on 29 June 2026.[2] This Scheme replaces the 1952 Scheme and sheds much awaited clarity on compliance requirements pertaining to EPF contribution.

Brief Overview

I. Applicability and Definition (Chapter I)

1. Applicability: Every establishment to which Chapter III (*Employee's provident Fund*) of the CSS.
2. Key Definitions:
   The EPF Scheme defines several key terms necessary for administering contribution of EPF, such as:
   a. Excluded employee: This includes (a) employees, who earn a salary more than the mandatory contribution limit of INR 15,000 per month; (b) international worker, who as a citizen or resident of their country of origin, and who contributes to the social security programme of that country with which India has entered into a social security agreement on a reciprocity basis or a bilateral comprehensive economic agreement containing a clause on social security prior to 1st day of October, 2008, which specifically exempts natural persons of either country from contributing to the social security fund of the host country;
   b. International Worker: (a) An employee other than an Indian employee having a passport other than an Indian passport and working for an establishment to which the provisions of EPF apply; (b) an

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[1] As per the Press Bureau of India press release titled '*Government Makes the Four Labour Codes effective to Simplify and Streamline Labour Laws*' dated November 21, 2025, available here.
[2] G.S.R. 525(E) dated 29 June 2026.

Indian employee having worked or going to work in a foreign country with which India has entered into a social security agreement and being eligible to avail the benefits under the social security programme of that country. However, a Nepalese national and Bhutanese national shall be deemed to be an Indian worker.

c. Principal Employer: An employer with whom employees are engaged by or through a contractor and includes (a) head of the office or department of the Government; (b) in a factory, the owner/occupier/manager of such factory; (c) the owner of a mine; (d) a person having ultimate control over the affairs of the establishment.

d. Universal Account Number (**UAN**): An identity number allotted to an employee on a permanent basis in the in the form and manner specified by the Central Provident Fund Commissioner.

II. Officers of Central Board (Chapter II):

EPF Scheme mandates that the Central Board shall establish regional and local offices as required and appoint officers and employees up to the level of posts equivalent to Joint Secretary of the Government of India.

III. Membership & Exemption (Chapters III - IV):

1. Mandatory Membership: Every employee who was a member of the 1952 Scheme prior to its cessation shall automatically a member of EPF Scheme. Additionally, every employee joining an establishment to which the Schemeapplies is required to become a member from the date of joining, unless they are an excluded employee.
2. Excluded employees shall become a member upon ceasing to be an excluded member of the EPF Scheme.
3. Excluded employees may become members of the EPF Scheme upon the employer and the employee voluntarily opting for the same in writing.
4. International Worker: (a) International worker, who was a member of the 1952 Scheme; (b) employed in an establishment to which the EPF Scheme applies; (c) excluded employee upon ceasing to be an excluded or exempted employee shall become a member of this Scheme; (d) an international worker carrying out an employed activity in the prescribed list set out by the Government, having signed a bilateral agreement on social security contributions with India and being subject to the CSS.

IV. Contribution & Charges (Chapter V):

1. The employer and the employee shall be required to make contributions payable at the rate of twelve percent (12%) of the wages payable by to the employee.[3]
2. Employees drawing a monthly salary of INR 15,000 are mandatorily required to become members of the fund and make contributions whereas employees drawing a salary of more than INR 15,000 may voluntary contribute in the event they did not have existing UAN.
3. The employer shall be responsible for deducting and making such contributions on behalf of the employee. The employer shall not deduct the employer’s contribution from the wages payable to the employee.
4. Contingent worker obligations: Principal employers hiring employees through a contractor (in respect of such establishment, which is not registered independently) shall be responsible for effecting contributions on behalf of such employees. However, the contractor shall be responsible for recovering the contribution payable for such employees and paying the same to the principal employer.

[3] Notification S.O. 3582(E) dated 1st July 2026.

V. Responsibilities, Forms & Returns (Chapter VI)

1. Every employer shall be required to maintain and send to the Commissioner a consolidated return in Form V.
2. Every employer, in relation to an establishment to which the CSS, applies shall file an ownership return after registration of the establishment in Form VI.
3. The principal employer shall ensure registration of the establishment and declare all its contractors on the portal specified for the purpose in the Form X.
4. Every contractor shallm within ten days of the close of each month, inform the principal employer electronically in Form-XI, the name, UAN, wages and contributions payable in respect of such contract employee.

VI. Maintenance of Accounts (Chapter VII)

1. The Commissioner is responsible for depositing the contributions into the respective accounts of the members post receiving from the employers electronically through internet banking or any other mode other than internet banking in the Reserve Bank or the State Bank of India or any other nationalised bank or through PayGov platform or through the scheduled banks in India including private sector banks in the Current Account of the Fund.

VII. Transfers, Nominations, and Miscellaneous (Chapters VIII - XII)

1. An employee may transfer their membership in the event they secure employment in another establishment to which the Scheme applies.
2. An employee, who is a member of the Scheme (**member employee**) is required to make a declaration on the designated portal, a nomination conferring the right to receive the amount payable in the event of death of such employee.
3. A member employee may partially withdraw of EPF amount by making an application to the Commissioner and the minimum withdrawal shall be if INR 1000 subject to maintenance of minimum balance.
4. A member employee may withdraw the full amount under the following circumstances: (a) upon their retirement from service at the age of fifty-five (55) years; (b) on termination of services in the event of mass or individual retrenchment; (c) termination of service under voluntary scheme of retirement; (d) immediately before settling abroad, etc.
5. An international worker may withdraw the full amount (a) upon retirement of service in the establishment on attaining the age of fifty-eight years; (b) retirement due to permanent and total incapacity or mental infirmity duly certified by the medical officer of the establishment or by a registered medical practitioner designated by the establishment.

Conclusion

The EPF Scheme sheds much-awaited clarity in EPF regime. It addresses emerging employment models, addresses contribution methodology, international workers and contingent workers. Employers across sectors may review their operational practices, and records maintenance for ensuring timely contributions to EPFO.

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